

REMARKS

These remarks are in response to the Office Action dated June 2, 2006. Claims 21-60 are pending in the application. The Examiner rejected claims 21-60 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 6,195,647 ("Martyn") considered with U.S. Pat. No. 6,272,474 ("Garcia"). Martyn relates to an on-line transaction processing system for security trading that provides user-configurable displays. Martyn, Abstract. Garcia relates to a method for monitoring stock information on the Internet. Garcia, Abstract.

Both Martyn and Garcia, either separately or in combination, fail to disclose two different types of quotes, i.e. an indicative quote and a binding, a.k.a. firm, quote, as recited in independent claims 21, 31 and 40. Instead, Martyn and Garcia disclose only one type of quote, i.e. a binding/firm quote.

Martyn defines a quote as "an 'offer' price, a 'bid' price, or a combination of both an 'offer' and 'bid' price." Martyn, Col. 3, ll. 41-43. Additionally, an "inside quote" is defined as "the situation representing the best price for sellers and buyers [and] consists of the highest offer and the lowest bid." *Id.* at Col. 3, ll. 49-52. It will be appreciated, that while not explicitly disclosed, the offer and/or the bid represent a firm quote because the buyers and sellers may accept the respective offers/bids to complete a trade. *Id.* at Col. 1, ll. 17-26. As part of the display disclosed in Martyn, there is a dynamic quote window for monitoring quotations. *Id.* at Col. 5, l. 44-Col. 8, l. 59. As the quotations displayed in the dynamic quote window comprise offers and/or bids of other market makers, these are, as discussed above, also firm quotes. *Id.* at Col. 6, ll. 22-27. Martyn fails to disclose a separate type of quote, such as an indicative quote, different from a firm quote. While the dynamic quote window may be used to report a trade or an order for a trade, a trade is not a quote but merely the result of the acceptance of a binding quote, i.e. offer/bid, of a buyer/seller. *See Id.* at Col. 6, ll. 15-32.

Garcia discloses that:

If a trader wants to buy or sell a stock or other security in the open market, he normally trades via agents on the market scene who specialize in that particular security. These people stand ready to sell the trader a security for some asking price (the "ask") if the trader would like to buy it. Or, if the trader

owns the security and would like to sell it, the agent will buy the security from the trader for the bid price (the "bid").

Garcia, Col. 4, ll. 9-26. This description describes a trade that takes place after either an ask or a bid has been accepted by a buyer or seller, respectively. A seller has an asking price to sell for ("ask") and the buyer has a bidding price to buy for ("bid"). *Id.* at Col. 4, ll. 22-28. The bid and ask are defined "collectively [as] the 'quote,' [such that] the bid refers to the highest price a buyer is willing to pay for a stock, while the asked is the lowest price a seller will accept." N.Y.S.E. Glossary (located at <http://www.nyse.com>). Garcia states that "market makers are expected to compete against each other by posting the best quotes (best bid, i.e., best offer to buy, and best ask, i.e., best offer to sell)." *Id.* at Col. 3, ll. 19-22. Accordingly, the individual ask and bid disclosed in Garcia are a particular type of quote and Garcia, therefore, fails to disclose both a binding quote and an indicative quote.

In the Examiner Interview on June 27, 2006, the Examiner explained that he believed that there were two types of quotes disclosed in Martyn and Garcia. In particular, the Examiner stated that a quote was indicative until the point at which a deal/trade is made (buyer would like to buy for seller's asking price, or seller would like to sell for buyer's bid). The Examiner asserts that after a deal, then the quotes become binding quotes. Applicants respectfully disagree. The quotes (bid/ask) as discussed in Martyn and Garcia are binding quotes because a seller can accept the buyer's bid, or a buyer can accept the seller's ask. A quote that is released by a market maker may be viewed, accepted, or rejected. At the point at which a quote is accepted, a trade is completed. A quote is binding if it is capable of being accepted to complete a trade, i.e. the buyer/seller has agreed to be bound by the quote if it is accepted. Conversely, an indicative quote is not binding on the seller or buyer, i.e. the buyer/seller who issues an indicative quote does not agree to be bound by the quote if it is accepted and therefore it is not capable of being accepted. As described in the specification, "[i]n certain circumstances, the market maker may decline to submit a binding quote, or may change his quote from that displayed on the subscriber screen as indicative." Specification, ¶ 38.

As claimed, an indicative quote is not binding on the seller/buyer, but rather allows the seller or buyer to measure interest in the market for a particular quote. The indicative

quote cannot be accepted and cannot result in a trade, rather it corresponds to an “indication of interest.” Specification, ¶ 25. The buyer or seller must change the indicative quote to a binding quote. Specification, ¶ 29. For example, the seller can change an indicative quote into a binding quote by “[p]ressing the ‘sell now’ button [that] simultaneously informs the appropriate market maker of the request for a binding quote” *Id.*

A binding quote is an offer for a contract. The completed contract is a trade. Once an offer is made, the contract may be accepted, which leads to a binding contract or trade. *See e.g.*, RESTATEMENT (SECOND) OF CONTRACTS § 24. Accordingly, the Applicants contend that the bid/ask in Martyn and Garcia is a binding quote used to establish a trade (binding contract). Further, a binding quote or firm quote has been defined by other sources to be a price or offer at which the quoting party is bound upon acceptance.¹ This is contrasted with an indicative quote, which is defined as a price that is not firm.² The investopedia website further states that:

Market makers will typically provide indicative quotes if a trader requests a quote for a currency pair but does not specify the quantity to be traded, or if there is some doubt as to the market maker's ability to transact the currency pair at the bid or ask quoted. The bottom line is that traders can rely on indicative quotes as a reasonable estimate of the exchange rate at which they can enter their currency trade, but there is no guarantee that this will be the rate they get.

<http://www.investopedia.com/terms/i/indicativequote.asp>. Applicants contend that both a binding quote and an indicative quote are not disclosed in Martyn and Garcia.

¹ *See e.g.*, http://www.rbfcu.org/rbsg/dictionary_f.htm (“A [firm quote] requires the market maker to purchase or sell a round lot of the security at the quoted bid or offer . . . in contrast to a nominal or subject quote which may require further negotiation or review and must be identified as such.”) (last visited 7/19/06); http://www.exchange-handbook.co.uk/index.cfm?section=glossary&first_letter=F (a firm quote is a “market-maker’s quote which is a price which he/she is committed to deal”) (last visited 7/19/06); and http://www.pathtoinvesting.org/dictionary/words_f.htm (“A firm quote includes a bid and ask price at which a market maker is willing to trade a specific quantity — 100 shares of stock, for example. For example, a firm quote of 42.50 - 42.70 means that the market maker will pay \$42.50 for 100 shares and is willing to sell them for \$42.70. But those prices would not apply to trades larger than 100 shares. Then prices would have to be negotiated.”) (last visited 7/19/06).

² *See* <http://www.investopedia.com/terms/i/indicativequote.asp> (“[W]hen a market maker provides an indicative quote to a trader, the market maker is not obligated to trade the given currency pair at the price or the quantity stated in the quote. Contrast this to a firm quote, in which a market maker guarantees a specified bid or ask price to a trader up to the maximum quantity specified in the quote.”) (last visited 7/19/06); and <http://www.fx-forex-trading.com/glossary.htm#I> (an indicative quote is a “market-maker's price which is not firm”) (last visited 7/19/06).

In addition, as discussed below, the claims disclose a request for an indicative quote *and* a request for a binding quote. According to the Examiner's understanding of an indicative quote and a binding quote, the indicative quote becomes binding when a trade is completed, so there would be no need to request a binding quote. Accordingly, Martyn and Garcia fail to disclose the claimed request for a binding quote.

In addition to failing to disclose the claimed two different types of quotes, Martyn and Garcia also fail to disclose the individual elements in the claims that include these two types of quotes. In particular, claim 21 discloses "[allowing] the requestor to request an indicative quote for only the at least one product of the plurality of products from the identified market maker station..." and "[allowing] the requestor to request a binding quote for only the at least one product of the plurality of products from the at least identified market maker station." Claim 21 also discloses that "the requestor may cause transmission of the request for the indicative quote for the at least one product via the network to the identified market maker station of the plurality of market maker stations, the remaining of the plurality of market maker stations not receiving the request for an indicative quote." Claim 21 further discloses that "the identified market maker station may respond to the request for indicative quote with an indicative quote for only the at least one product and the at least identified market maker station may respond to the request for a binding quote with a binding quote for only the at least one product." Accordingly, Martyn and Garcia fail to disclose these elements. Specifically, there is no disclosure of the request and response for an indicative quote as in claim 21.

Likewise, claim 31 discloses that:

[a] subscriber station may cause transmission of a *request for an indicative quote* for the at least one product via the network to the identified market maker station of the plurality of market maker stations and the identified market maker station may *respond with said indicative quote* only for the at least one product, the remaining of the plurality of market maker stations not receiving the request for said indicative quote, the logic being further operative to enable communications between the subscriber station and at least the identified market maker station of the plurality of market maker stations such that the subscriber station may cause transmission of *request for a binding quote* for the at least one product to the at least identified market maker station and the at least identified market maker station may *respond with said binding*

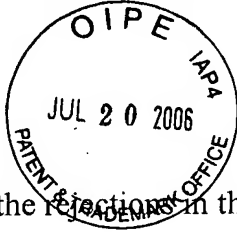
quote only for the at least one product. (emphasis added)

As discussed above, Martyn and Garcia fail to disclose both an indicative quote and a binding quote. In particular, there is no disclosure of the request and response of both a binding quote and an indicative quote as in claim 31.

Claim 40 discloses the steps of:
[receiving] a request for said indicative quote via the network for the at least one product caused to be transmitted by one of the at least one subscriber station based on the enabling by the at least one network managing station, [and accessing] the quote generator to determine said indicative quote associated with the at least one product and respond to the one of the at least one subscriber station with the indicative quote for only the at least one product via the network”

Again, Martyn and Garcia fail to disclose two types of quotes, therefore, the references do not disclose the element of claim 40. In particular, there is no disclosure of a request and response for an indicative quote.

For at least these reasons, claims 21, 31, and 40 are patentable over Martyn and Garcia. Accordingly, Applicants respectfully request that these claims be allowed. Dependent claims 22-30, 32-39, and 41-60 should be allowed for the reasons set out above for independent claims 21, 31 and 40. Accordingly, Applicants therefore request that the Examiner withdraw the rejections of claims 21-60.



CONCLUSION

Each of the ~~rejections~~ in the Office Action dated June 2, 2006 has been addressed and no new matter has been added. Applicants submit that all of the pending claims are in condition for allowance and notice to this effect is respectfully requested. Should the Examiner decide to issue another rejection, he is respectfully requested to call the undersigned prior to issuing that Office Action so that we may expedite the response thereto.

Respectfully submitted,

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